

DEPARTMENT OF HEALTH SERVICES

714/742 F STREET
SACRAMENTO, CA 95814

July 13, 1983

To: All County Welfare Directors

Letter No. 83-53

LYNCH V. RANK PRELIMINARY INJUNCTION

Reference: 83-16, 83-38, 83-46

On July 8, 1983, the motion for preliminary injunction in the case of Lynch v. Rank (formerly Lynch v. Dawson) was heard by the U.S. District Court for the Northern District of California. The issue in the case is whether California has properly implemented the Pickle Amendment to the Social Security Act. This amendment provides that certain Title II (OASDI) recipients who are also former Title XVI (SSI) recipients are entitled to Medi-Cal benefits as categorically needy persons. These recipients are referred to as Pickle persons.

As you are aware, the Department of Health Services (DHS) issued All County Welfare Directors Letter 83-16 in February which instructed counties to grant Title II disregard status to all cases that involved: 1) simultaneous receipt of Title II and Title XVI benefits, and 2) termination of SSI benefits after April 1977; if the reduction of income by all Title II cost-of-living increases subsequent to the loss of Title XVI benefits would bring the individual's income below SSI/SSP payment level. After the Lynch lawsuit was filed, the Department issued All County Welfare Directors Letter 83-46 which instructed counties to pend any Title II disregard cases until further direction was received from the court.

Pursuant to the preliminary injunction and an accompanying temporary restraining order, the court has ordered the Department to immediately rescind All County Welfare Directors Letter 83-46 and begin processing Medi-Cal cases in accordance with the instructions provided in All County Welfare Directors Letter No. 83-16. You are, therefore, instructed to process cases in accordance with All County Welfare Directors Letter No. 83-16. The court also ordered that all income (less the \$20 any income deduction) of the Pickle person must be counted in computing the share of cost for his/her spouse and children. The order applies at intake and to current cases and to redeterminations. No review of closed cases is required at this time, although counties should continue to flag cases per the instructions in All County Welfare Directors Letter 83-38. The issue of retrospective relief will be decided at a later date by a state court.

DHS is scheduled to return to federal court on July 29 to receive specific direction concerning the method of identifying Pickle people, the noticing of potential Pickle eligibles and the application process. After this court appearance, counties will receive detailed instructions on those issues via All County Welfare Directors Letter.

All County Welfare Directors

-2-

Questions should be directed to Kristi Banion at (916) 324-4953 or ATSS 454-4953.

Sincerely,

ORIGINAL SIGNED BY
DORIS TUDSBURY FOR

Caroline Cabias, Chief
Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants